

BEFORE THE IDAHO BOARD OF TAX APPEALS

TRACY CAVIN FAMILY TRUST,)	
)	
Appellant,)	APPEAL NO. 14-A-1014
)	
v.)	FINAL DECISION
)	AND ORDER
ADA COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Ada County Board of Equalization (BOE) denying the protest of valuation for taxing purposes of property described by Parcel No. R0786010208. The appeal concerns the 2014 tax year.

This matter came on for hearing September 9, 2014 in Boise, Idaho before Board Member Leland Heinrich and Hearing Officer Cindy Pollock. Bruce and Tracy Cheeseman appeared at hearing for Appellant. Chief Deputy Tim Tallman and Deputy Assessor Tina Winchester appeared for Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an improved residential parcel.

The decision of the Ada County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$224,000 and the improvements' valuation is \$229,500, totaling \$453,500. Appellant contends the total value of the property should not exceed \$390,000.

The subject property is a 2,497 square foot residence situated on a 4.73 acre parcel in Eagle, Idaho. The two-story residence was constructed in 1986 and includes an attached 576

square foot two-car garage. Also on the property are two (2) outbuildings and an outdoor swimming pool.

Appellant explained the subject residence had not been updated since its construction in 1986, with the exception of replacing the roof a few years ago. Subject was also noted to not have access to city water and sewer services. Appellant further remarked the access roads are not plowed during winter months and there is inadequate government-provided fire protection; with the nearest fire hydrant located approximately one-half (1/2) mile away. In addition, all the improvements on the subject lot are tightly compacted on the front portion of the parcel, with the remaining acreage left as grass or pasture land.

In support of its lower value position, Appellant offered five (5) sales of improved rural properties for comparison with subject. The compared properties were similar to subject in terms of square footage and acreage. Like subject, the sale properties also lacked city services. Sale prices ranged from \$272,000 to \$408,000. Based on this information, Appellant contended subject's assessed value should be reduced.

Regarding Appellant's sales, Respondent noted most were located outside the city limits of Eagle, which was not comparable to subject being situated inside the city limits and thus closer in proximity to more amenities. Respondent also pointed out two (2) of the offered sales were foreclosures. Because foreclosure sales represented such a small minority of the total sales in the area, they were considered outliers and not reflective of the marketplace. Respondent further remarked that several of Appellant's sales involved residences much older than subject and had not been updated since their original construction.

Respondent provided five (5) sales argued to be representative of subject's current

market value. The residences, built between 1940 and 1996, were between 2,364 and 3,100 square feet in size. The older residences had been updated since their original construction. Lot sizes ranged from one (1) to 5.4 acres. None of the sale properties had access to city services, and three (3) were noted to be located outside city limits. Sale prices were between \$359,450 and \$605,000, which after adjustments for physical differences compared to subject, resulted in adjusted sale prices between \$468,735 and \$551,615. Sale No. 2, located a couple lots down the street, was regarded as most similar to subject in terms of lot size and finished living space. The residence was ten (10) years newer than subject, however, there was only one (1) outbuilding on the property and it had no swimming pool. The adjusted sale price was \$468,735.

Respondent also commented one (1) of subject's outbuildings had been upgraded. During the normal reappraisal of subject's area for the 2013 tax year, Respondent noted a sliding glass door and satellite dish had been installed on subject's pole barn building. Based on these changes, Respondent concluded a portion of the building had been converted to finished living space. Appellant countered that no living space had been added to the barn. It was explained the sliding glass door was added to provide access to the small storage area located inside the building and the satellite dish was added because the satellite provider refused to mount the dish on the residence. Appellant stated the satellite dish provides service only to the residence, not the outbuilding.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving

full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2014 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Both parties provided sales information in support of their respective value positions. The sales were generally representative of subject in terms of size, age, location, and square footage. The sales also shared with subject the lack of access to city water and sewer services.

Respondent noted two (2) of the sales offered by Appellant were distressed and contended they should not be included in determining subject's current market value. In this instance, the Board agrees. Given the abundance of non-distressed sales in the record, and Respondent's testimony that distressed sales comprised a small minority of the overall real estate marketplace in subject's area during 2013, the Board does not consider such sales reliable indicators of subject's value.

While both parties' sales were well received by the Board, Respondent's value conclusion was found to be better supported. There were some physical differences between subject and some of the Respondent's sales, however, individual value adjustments were made to account for such differences. Appellant's value position was not supported by a similar type of analysis.

Of all the sales presented, Respondent's Sale No. 2 was regarded by the Board as most indicative of subject's value. The property was located in subject's same subdivision and was

similar in size, acreage, and overall physical characteristics. The residence was somewhat newer than subject's, however, Respondent made an adjustment for this factor. The other primary differences were subject had an extra outbuilding, as well as an outdoor swimming pool. Again, Respondent made adjustments for these differences

Despite the overall well-supported analysis, the Board did find one (1) area of concern with Respondent's valuation of subject. This pertained to the pole barn outbuilding, which Respondent believed had been updated with some finished living space. Because Respondent performed only an exterior inspection of the subject property, it is understandable how this conclusion was reached. However, based on Appellant's testimony, no living space was added to the outbuilding. Rather, the sliding glass door was installed to provide access to the inside storage area, and the satellite dish was mounted simply to provide service to the residence. Though specific details on the value Respondent attributed to the perceived living space were not provided, the Board believes such amount was not significant based on other value evidence in the record. As such, a modest adjustment of \$5,000 will be made for this factor.

In appeals to the Board, Appellant shoulders the burden of proving error in subject's assessed valuation by a preponderance of the evidence. Idaho Code § 63-511. As related to the pole barn outbuilding, the Board is satisfied this burden was satisfied.

Accordingly, the decision of the Ada County Board of Equalization will be modified to reflect a reduction of \$5,000 for the pole barn outbuilding, with no changes to the remaining assessed values of the improvements or land.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED the decision of the Ada

County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED, to reflect a reduction in the total value of the improvements to \$224,500, with no change in the assessed land value of \$224,000, resulting in a total valuation of \$448,500.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 27th day of October, 2014.